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MEMORANDUM

PRELIMINARY ITALIAN ELECTION OUTLOOK

Summary

Italy's voters go to the polls this weekend to elect 15 regional councils, 36 provincial councils, and over 6,500 municipal administrations. Although the elections will not have a direct impact upon the balance of forces in parliament, scandal within the Christian Democratic Party almost guarantees they will touch off still another government crisis. These elections will be interpreted not only as a referendum on the present government but also on the leadership and strategies of the three major parties: the Christian Democrats, the Communists, and the Socialists.

A Lackluster Campaign

With a little less than a week left in the campaign for Italy's nationwide local elections on 8 June, the parties have been trying desperately to drum up enthusiasm among a generally unresponsive public. They appeared to have some success several weeks ago when political leaders officially opened the campaign with great fanfare at large rallies in many major cities. But the campaign quickly shrank to a weekend affair in which politicians traded rhetorical broadsides and alternated

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these with calls for moderation and a campaign free of polemics. It is only since last week that the campaign has moved into high gear--courtesy of Communist Party chief Berlinguer. Berlinguer--who is determined to transform these administrative contests into a referendum on the Cossiga government--has sharply attacked and provoked equally pointed countercharges from both the Christian Democratic and Socialist parties. It is uncertain whether these new tactics will be able to capture the imagination of the Italian voting public, which until now has done its best to prevent the campaign from intruding into everyday life. []

Although the elections will have no direct impact on the national government, they will be taken as barometers of the parties' relative strengths and indicators of public opinion on key questions--such as whether the Communists will move closer to or farther from a direct role in the national government. With so much at stake, the muted tone of the early campaign can be explained in part by the fact that political leaders were wary of taking risks when even slight voting shifts could make the difference between victory and defeat. On the other hand, continued voter indifference to the campaign undoubtedly reflects a spreading of the recent trend toward greater apathy--the feeling that whatever the outcome of the contest, there will be little progress made in finding political solutions to Italy's myriad problems. []

The Mood of the Electorate

Voter apathy and cynicism are apparent in a number of ways--from the parties' inability to fill the piazzas for rallies to the Radical Party's call to boycott the vote as an expression of disgust with politics as usual. Perhaps the most striking manifestation of the current political climate is the proliferation of local lists ranging from ecological groups and a party promising to restore the kingdom of Naples to entries espousing the philosophy of punk rock. []

Even the legendary economic crisis does not seem capable of spurring voter interest. In northern and central Italian cities, there are few visible indications that an economic crisis exists. Conspicuous consumption remains the order of the day. Italians seem able to maintain such a comfortable lifestyle because of the all-pervasive "black economy." In an Italian family the father may hold two jobs, the mother may work, and the children--who might live at home until their middle or late twenties--are probably also employed. In this way--and with some help from automatic wage indexation--the family income can triple, allowing it to stay ahead of inflation. []

In the midst of this apparent prosperity, the structural problems of Italian economy remain. There is much talk about what needs to be done to correct the problems, but there appears to be little consensus and even less action. The major threats to Italian economic well-being are inflation and

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the government's reliance on deficit financing. A crunch is not imminent, but the situation seems to be deteriorating. The larger Italian firms such as Fiat have lost their competitive edge in the world market due to inflation and inefficiency. The "Italian economic miracle" is sustained only by virtue of small and middle-sized firms--many within the black economy--which, because of increased production and aggressive marketing techniques help keep the economy afloat. In view of the Italian public's ambivalent attitude on foreign policy issues, it is likely that the government's future decisions on key issues will follow a pattern of compromise. [redacted]

Campaign Outlines

It is in this complex and confusing nexus of issues that over 45 million Italians will vote for 15 regional councils, 86 provincial councils, and over 6,500 municipal administrations. While at the grass-roots level, government performance must be the basis on which the voter casts his vote, local issues have been overshadowed by larger national and international questions in the campaign. Ruling parties--whether they are Christian Democrats, Communists, or Socialists--seem to be encouraging this trend. Despite formal defenses of their record incumbents are acutely aware that incumbency is more frequently a drawback than a benefit. In addition, the parties are almost certainly convinced that it is easier to appeal to voters by trumpeting anti-Communism or warning against a shift to the right. Consequently, it was inevitable that the Cossiga government and its domestic and foreign policies would become a major issue of the campaign. The parties of the government--the Christian Democrats, Socialists, and Republicans--must defend their decisions to participate in the coalition in the hope that the election will enable them to strengthen their hold on power and perhaps give each of them greater leverage over its partners. On the other hand, the opposition--primarily the Communists, Social Democrats, and Liberals--are content to hammer away at the three-party arrangement in anticipation that after the vote the Cossiga government will become either the "bridge to the left" or the "bridge to the right" it has variously been portrayed as being. [redacted]

In combating these expressions of uneasiness, the parties have taken different tacks: a recurrent theme in the Communist campaign has been that the party defends the interests of those on the margins of society. To appeal to the young, the Communists distributed pop art campaign posters and warm up the crowds at political rallies with rock music concerts. Christian Democrats, on the other hand, are aiming at the more mature voter. Their campaign posters picture very solid middle-class and middle-aged candidates; the party obviously is hoping that in times of trouble, the electorate will favor tried-and-true parties and policies. The Socialists are trying to counteract their image as the party of crisis by filling their posters and speeches with specific policies they would follow if they were elected. Despite their efforts to attract voters, the parties may find that the electorate's verdict will once again be inconclusive. [redacted]

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Party Strategies

The sharp defeats the Communists suffered in the national, European Parliament and scattered local elections last year have made this June's vote a major test. The Communists need to improve significantly on last year's totals in order to remain in control of the regional governments (Lombardy, Piedmont, Liguria, and Lazio) and major city administrations (Turin, Rome, and Naples) they gained in 1975. In addition, a strong showing could provide a boost toward achieving their goal of a direct role in the national governing process. [REDACTED]

The Communists are facing an uphill battle in trying to repeat their 1975 performance. The unrealistic expectations the party nurtured among the voters about its ability to reverse the 30-year trend of maladministration by the Christian Democrats are now coming to haunt the Communists. Italian voters seem to believe that the Communists' governing record has been mixed. Although, on the whole, it appears that leftist administrations may have governed a bit better than their predecessors, the Communists and their allies will be measured unfavorably against their overambitious 1975 campaign promises. [REDACTED]

The party hopes to parry criticism of its record by stressing its efforts to improve the quality of life at the local level--including the institution of new health and cultural programs and mass transportation and public works projects. [REDACTED]

But the aim of the Communist campaign thus far has been to transform the local polls into a national political contest--fought on national and international issues. In a press conference last week, Communist Party chief Berlinguer solicited votes with the argument that these votes were necessary to hasten the collapse of the Cossiga government--and by clear implication the conservative majorities in the Christian Democratic and Socialist parties that sustain it. In a tacit appeal for support among the leftwing Christian Democratic and Socialist minorities, Berlinguer also issued a call for the renewal of cooperation within the "broader spectrum of progressive forces" leading to a government of national unity including the Communists. [REDACTED]

Berlinguer's harsh criticism of the Cossiga government is an effort to bolster the party's role as an opposition force with its traditional supporters; he contends that the agreement setting up the government is weak and the government's parliamentary majority is shaky--partly because of indiscipline among Christian Democrats. In addition, Communist spokesmen constantly argue that the government represents a move to the right which--after the election--could be consummated with the formation of a five-party, anti-Communist majority including the Social Democrats and Liberals. [REDACTED]

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The Communists reserve their sharpest attacks for the government's foreign policy, most likely because it has been so visible in recent weeks. Berlinguer has called Cossiga to task for supinely following the US foreign policy lead. One of the Communist chief's favorite themes during the campaign has been that the government's decisions to participate in the Theater Nuclear Forces program, impose economic sanctions on Iran, and withhold national sponsorship and truncate the Italian contingent to the Moscow Olympics merely add to rising international tensions. []

The Communists are careful to associate their own appeals for peace and detente with a perceived European sentiment--the same spirit that imbued the recent Giscard and Schmidt initiatives. Berlinguer undoubtedly hopes to exploit whatever Italian sympathy exists for the idea that European mediation is the only way to dampen the US-Soviet confrontation. He is betting that his party's sponsorship of a leading political role for Italy in such an enterprise would offset any misgivings the Italian electorate usually experiences about the intentions of his party in periods of international stress--and perhaps even draw some attention away from the mediocre record of leftist local governments. []

It is on these international issues that the Communists have also directed their fire at the Socialists. While lauding cooperation between his party and the Socialists at the local level--and calling for more and stronger leftist local coalitions--Berlinguer claims that Socialist participation in the government is doing great damage to the sacrosanct concept of the unity of the left. The Communist-Socialist polemic became particularly heated this past week when Berlinguer chided Craxi for associating his party with the government's Olympic Boycott decision--"the worst decision the government has made thus far." Berlinguer almost certainly is emphasizing these issues in the hope that the Socialist left wing--which opposed Craxi's support for the government on the Olympic Boycott--might be able to rein in the Socialist chief somewhat and perhaps even challenge him and his policies again after the vote. []

Finally, the Communist campaign strategy also is calculated to recoup much of the support--particularly among leftists and the young--the party lost in last year's election. It is seeking to pursue dialogues with the small extreme left parties and has even included a few representatives from these groups in its own list of candidates. []

Christian Democratic Strategy

The conservative leadership and leftwing minorities of the Christian Democratic party have differing election strategies, but it is certain that all Christian Democrats hope to avoid internal dissension that might

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damage the party's prospects at the polls. At the local level, Christian Democrats have as their stated objective the replacement of the local leftist coalitions with center-left combinations. As Berlinguer has tried to shift the campaign to national and international issues, Christian Democrats have been determined that the vote be a referendum on the Communist-led local administrations. At the same time, the so-called "preambolist" majority of the party obviously hopes that a good performance by the Christian Democrats in the election will be interpreted as support for the party's new leadership and policy of treating the Socialists as its principal interlocutor. Such a result might also improve the party's leverage in dealing with its government partners--particularly the Socialists--and might even convince the Christian Democratic left wing to associate itself with party decisions, if not reconcile itself to the new party line. [redacted]

The key is to keep some semblance of party unity. The tactic the conservatives have chosen has been to balance their enthusiasm over the Socialists' return to the government with pledges of allegiance to the concept of national solidarity--which at least theoretically leaves open the possibility of some limited cooperation with the Communists. Consequently, these Christian Democrats have concentrated on a spirited defense of the Cossiga government as the instrument that preserved the prime ministry for the party, brought Socialists into the government after a seven-year absence, and still preserves the national solidarity policy. Spokesmen for this group (Party Secretary Piccoli, former Vice Secretary Donat Cattin, and Party President Forlani) have been quick to point out, however, that conditions still do not exist for consideration of the Communists as a governing partner, and that any cooperation with the party would have to occur within the context of its role in the opposition. In response to Berlinguer's recent polemics conservative Christian Democrats have contended that Communist attacks on the government--and not the attitude of Christian Democrats--are major obstacles to closer ties. [redacted]

The Christian Democratic leadership has also focused on the accomplishment of the Cossiga government as a major campaign theme. They cite the government's recent successes against terrorism and an agreement with the unions as proof that a three-party majority can be an effective formula. They also defend the government's foreign policy decisions--particularly the Iran sanctions and the Olympic boycott--as indications that it intends to continue expressing full solidarity with the US in the context of NATO. [redacted]

Conservative Christian Democrats have sought to give Socialist chief Craxi a hand in his confrontations with his party's left wing. By affirming that local coalitions do not necessarily have to reflect the situation of the government at the national level, they have sought to calm fears that the Christian Democrats would demand that Socialists break their local alliances with the Communists. [redacted]

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Leftwing Christian Democrats are contesting this election from a position of weakness. They might welcome a slight decline in the electoral fortunes of their party--particularly if it provided them with the opportunity to challenge the current leadership after the vote--but they are wary that they might be blamed for splitting the party. For these reasons, they have rebuffed Berlinguer's invitation to challenge the party leadership after the vote. Consequently, spokesmen for this group (including former Vice Secretary Calloni) are limited to expressing feeble dissent to some of the government's foreign policies and expressing their opinion that obtaining Socialist support for the government is essential but not a panacea for solving Italy's problems. Leftwing Christian Democrats must bide their time, hoping that perhaps Socialist reverses in the election might be the catalyst necessary to convince Christian Democratic leaders to increase cooperation with the Communists. [REDACTED]

Socialist Strategy

The Socialist campaign has been designed to help party chief Craxi to consolidate his leadership and political line within the party and to strengthen the position of his party within the government. Craxi has been riding high since a switch of alliances within his party several months ago enabled him to gain the upper hand over leftwingers and pursue his policy of cooperating with the Christian Democrats. Despite his victories, Craxi's position within the party remains tenuous. The Socialists must perform well in the election to reconfirm his political line and permit him to reach his goal of eventually purging the left wing--perhaps at an extraordinary Socialist congress in October. At the same time, a Socialist election victory would also increase the party's influence within the Cossiga government and possibly lay the groundwork for a future coalition led by Craxi. [REDACTED]

In order to achieve these objectives, Craxi is compelled to maintain at least a facade of party unity. While seeking to defend his decision to participate in the Cossiga government, Craxi hopes to avoid antagonizing his party's left wing and prevent the Communists from attacking the vulnerable Socialist position in the government. The Socialist electoral campaign has been a two-pronged effort to defend cooperation with the Christian Democrats at the national level and promote alliances with the Communists in the localities. [REDACTED]

Craxi's appeals to the voters have focused on the argument that the Socialists represent the party of stability; by joining the coalition they averted another dissolution of parliament and general elections. Craxi has responded to Berlinguer's recent offensive against Socialist participation in the government and support for its policies by

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turning the charge back on the Communists. After taking the high ground-- by reaffirming that Socialist participation in the government is necessary to avoid political chaos--Craxi has accused Berlinguer of damaging the interests of democracy, the left, and the workers by his polemic. [REDACTED]

Aside from providing a guarantee of governability, Craxi maintains-- with a nod to the left--that the Socialists' role in the government assures the workers a share of power and creates the conditions that eventually could lead to Communist participation in the national governing process. It is in terms of preserving a role for the workers in the government that Craxi has gone so far as to reevaluate positively the experience of the center-left governments of the 1960s. [REDACTED]

Craxi has balanced his evaluations of the national political situation with statements that the Socialist objective at the local level is the preservation of the local leftist coalitions. By affirming that the national governing formula is not automatically transferable to the localities, Craxi obviously intends to reassure many Socialists who owe their positions and authority to agreements with the Communists. At the same time, Craxi has hedged his bets by declaring that even the Socialist experience governing with the Christian Democrats at the local level has been positive in some instances. The Socialist chief undoubtedly is sending a message that his party might consider switching alliances in some local governments after the vote--particularly if the Christian Democrats offer the right price. He ultimately may hope to use local government alliances as bargaining chips in his bid to capture the prime ministry in a future government. [REDACTED]

Finally, Craxi is hoping to benefit from the Radical Party's decision not to contest the election. The Socialists hope to pick up the votes of young Radical supporters by including representatives of that party in Socialist election lists. In addition, the Socialists have associated themselves closely with the Radical Party's sponsorship of 10 referendums (ranging from the abolition of life sentences to the prohibition of hunting); Craxi himself has signed three of the petitions. [REDACTED]

In the face of Craxi's many machinations during the campaign, the Socialist left wing is apparently demoralized. With the failure of last winter's challenge of Craxi's leadership and policies, the Socialist left wing seems greatly weakened, fragmented, and in retreat. These Socialists have been virtually excluded from positions in the government, and

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though they continue to criticize their party's support for some government policies, they must await the outcome of the election before making their next move. As with the Christian Democratic minority, the Socialist left wing is in the difficult position of hoping that a poor party performance might provide the catalyst to change the party's leadership and policies. []

Others

The Republicans during this campaign have tried to use their role in the government to counteract the impression that the party has been drifting since the death of Ugo La Malfa last year. Much as the Socialists, the Republicans hope to portray themselves as a responsible party that is helping Italy emerge from its political crisis. Party Secretary Spadolini also is combating a voter perception that the Republicans' stance on the Communist issue is ambiguous; he is continuing the move already begun by La Malfa, backing away from support for Communist participation in the government and promoting the idea of dialogue. The Republicans undoubtedly have taken this tack because they must compete with the strongly anti-Communist Social Democrats and Liberals for votes. The Republicans have gone one step further than the Social Democrats by declaring that they would no longer participate in local governments with the Communists after the vote. Another major theme of the Republican campaign has been to repel the Communist attacks on the government's foreign policy and to call for strong Italian support of Washington. Domestic policies and particularly economic responsibility remain the Republican forte; they stand virtually alone in their articulation of programs to tackle inflation, curb the public sector deficit, and correct economic structural imbalances. []

The Social Democrats under Party Secretary Longo have been campaigning as the underdog. They are determined to appeal to the lower middle class--teachers, pensioners, and others hurt most by inflation. The Social Democratic objective is to score gains that will convince the parties in the ruling coalition to expand the government to include both themselves and the Liberals. The Social Democratic tactic is to assume the mantle of the true anti-Communist opposition by portraying the Cossiga government as a bridge to the left. The Social Democrats are vulnerable on this point, however, because they have already stated their intention to continue in local leftist coalitions even after the election. In terms of foreign policy, the Social Democrats are in the forefront of those Italians declaring themselves in favor of complete solidarity with the US and have attacked the government for not taking a firmer line on issues like the Olympic boycott and Iran sanctions. The Liberals appeal to many of the same constituencies as the Social Democrats and have echoed the larger party's campaign themes. The Liberals have no real hope of making inroads that would entitle them to a share of the power either at the local or national level--except perhaps in the wake of a trend toward five-party, non-Communist majorities. []

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Prospects

Electoral polls traditionally have not been accurate indicators of voter sentiment. This is not so much the fault of Italian statistical techniques as it is a function of the voter's reluctance to confide to the pollster his true feelings about parties and issues. For this reason, Italian political polls usually indicate a large number of undecideds right up until the vote. In addition, the usefulness of polls is limited by the fact that even large, respected polling organizations tend to skew results a bit based on their own political affinities. [REDACTED]

[REDACTED] Local elections are complicated by the fact that the issues vary so greatly from locality to locality. Some comparisons are possible based on general categories--urban problems for instance. But even these are measured with different yardsticks: a voter will not judge the successes and failures of the Communist led governments in Bologna and Naples by the same criteria. In general terms, however, it is likely that incumbents will be held responsible by the voters for their failure to accomplish all they had promised. Another problem with making predictions this time around is the difficulty in determining the precise interplay of local, national, and international issues with which the voter is faced as he tries to make a decision. Will a person in Puglia vote against the Christian Democrats because of a municipal scandal or will he vote for the party because of an uncertain international situation? It is a good bet that the voter will be motivated more by bread-and-butter concerns than he will by distant issues that touch his life peripherally if at all. [REDACTED]

An important variable in this vote is the role of the abstentions. Italian abstainers are divided into three groups: those who refuse to go to the polls, those who vote a blank ballot, and those who destroy or deface their ballots. An abstention of the first type indicates apathy and probably will be more damaging to incumbents than to the opposition. The more active types of abstention almost certainly reflect dissatisfaction with existing conditions and siphon votes from those parties out of power. In last year's vote the nonvoting abstentions outnumbered invalid ballots by a little more than two to one. This ratio represents a narrowing of the gap from recent years, and if this trend holds, it could mean that the abstention variable in this election will be less damaging to incumbents than it will be to opposition parties. [REDACTED]

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The parties will judge the outcome against previous performances, but it will be measured in terms of last year's parliamentary vote as well as the 1975 local contests. In these terms, victory and defeat become open to a variety of interpretations depending on one's perspective and political leanings. For instance, a Christian Democratic victory would be for the party to repeat or come close to scoring the 38 percent of the vote it tallied in 1979; anything less--even if it is above the party's 35 percent share of the vote in 1975--could be considered a defeat. For the Socialists, the magic number is the 9.8 percent of the vote they gained last year; even a fraction of a point below this total could spell disaster, while anything approaching their 12 percent in 1975 will be considered a triumph. The Communists are hoping not to fall below their 30.4 percent total last year--a drop below the 30 percent threshold would be a disaster. If the party, on the other hand, came closer to the 33.4 percent it polled in 1975, it could claim to have consolidated most of the gains of that year. The smaller parties do not have a very wide margin of flexibility--anything below their recovery of last year will be considered a defeat. [REDACTED]

Despite such difficulties, it is an impression that there probably will be no major variations in the parties' 1979 performances--the Communists, Socialists, and Social Democrats should do slightly better, while the Christian Democrats, Republicans, and Liberals probably will do a bit worse. [REDACTED]

In terms of the composition of the local governments, these results probably would mean that the Communists would lose control in some localities--perhaps including Naples--but would hang on elsewhere, possibly including Turin. In most cases this electoral scenario would make the balance of power so close in swing localities that it would be difficult to form either leftist or center-left coalitions without protracted, difficult negotiations. The outcome of this bargaining undoubtedly would depend on whether the pivotal Socialists were offered more by the Communists or the Christian Democrats. [REDACTED]

Operating under these results, Socialist leader Craxi most likely would be able to continue his party's participation in the government. He probably would be unable, however, either to purge the Socialist left wing or demand the prime ministry from the Christian Democrats. On the other hand, the conservative Christian Democratic leadership probably would consider the election a minor setback for their policy of "confronto" with the Socialists. These Christian Democrats most likely would be able to maintain their control of the party, but their position would be weakened; they might be forced to make concessions to the party's left wing--perhaps in terms of leadership positions. [REDACTED]

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The Donat-Cattin/Cossiga Scandal

The Donat-Cattin/Cossiga scandal has led the parties to reassess their election prospects only days before the primary goes to the polls. Allegations that the Prime Minister warned Donat-Cattin two years ago that the latter's son was about to be arrested as a member of the Front Line terrorist group have made accurate calculations all the more difficult. Although a parliamentary commission absolved the Prime Minister of any wrongdoing by an 11-to-9 vote earlier this week, he has come under increasing pressure to resign [REDACTED]

The Communists and other opposition parties are maneuvering to bring the issue before a joint session of parliament. [REDACTED]

The Prime Minister was buoyed on 3 June by endorsements from the secretaries of the parties that comprise his government, and he agreed to postpone his decision on resigning until after the results of the election have been assessed. [REDACTED]

The Communists appear to have been strengthened by the affair. It has provided them the meaty election issue they have been searching for and allows them to counter Christian Democratic attempts to portray Italian terrorism as a Communist-spawned phenomenon. The Christian Democrats had hoped to score some gains at the polls this weekend, but national party officials will be relieved if the party emerges from the elections with its 1979 totals intact. Christian Democratic party leaders in northern Italy sense that the Donat-Cattin/Cossiga scandal will be costly in their area, but its effects in the south are expected to be marginal. [REDACTED]

This latest turn of events seems to insure that Italy will undergo another of its periodic government crises by early July. If the members of Cossiga's coalition return from the polls with their standings relatively unchanged, Cossiga would have a fair chance of beating back the opposition's expected challenge. Under those circumstances his tenure would rest upon his willingness to risk his reputation against the caprices of the parliamentary process. In the event that members of the majority suffer a setback, however, their support for Cossiga would weaken and induce him to resign. The parties, however, would probably persuade him to stay in office until after President Carter's visit to allow them time to develop a suitable governing formula and avoid the embarrassment of holding a major international conference with a caretaker government as host. [REDACTED]

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